

FEB 21 '951

MEMORANDUM FOR DEPUTY COMPTROLLER:

SUBJECT: Contractual Services

1. Reference is made to your memorandum, subject as above, dated 24 January 1951, wherein the "Information and Check List" was discussed. It was requested that OSO give consideration to adoption of that form and its filing in the covert Finance project file.

2. It is believed that there are a number of items in addition to security which warrant consideration prior to adoption of the form and related procedures. The specific responsibilities in connection with contracts at the present time are not stated in sufficient detail to determine adequately the parts played by the Special Contracting Officer, the Law Division, or the Finance Branch. Therefore, it is requested that the Comptroller's office, in conjunction with the Law Division, prepare a statement of those functions. It may be that such a statement of functions would not be inconsistent with current OSO views. However, it is desired that possible differences be resolved in order that a clear statement of functions may be included in pertinent OSO Regulations.

3. OSO agrees completely that each agent contract must be a hand-tailored job and that adequate information must be supplied in order for appropriate contracts to be drafted. Further, OSO sees no objections from a security standpoint to filing certain phases of the Information and Check List form in the covert Finance project file.

4. The following specific comments are furnished with respect to the indicated items on the proposed check list:

- a. I, A Any delineation of the agent's duties should be limited to a general phrase, such as "operational" or "administrative".
- b. III, A The agent's cover activity should be generally described; i.e., "commercial," "cultural".
- c. III, C and D These should be eliminated since the details are not pertinent and the financial compensation is stated under A on page 2.

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- d. H on page 2. The words "justifications or explanations" should be eliminated since they may lead to agent identification in certain cases.
- e. The forms should bear a notation to the effect that they will be handled as "Secret" material even though not filled out.

5. Upon receipt of the statement of functions requested above, representatives of QSG will confer with your office with a view of establishing the necessary procedures.

FOR THE ASSISTANT DIRECTOR, SPECIAL OPERATIONS:

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Special Assistant

cc: Law Division

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